

To: The Members of the Research Community
Subject: Budgeting F&A on Computer Items

To the Members of the Research Community:

On February 18, 1999 the Division of Research issued a memo stating that based on the 1998 F&A Cost Rate Agreement, individual items of equipment costing between \$500 and \$4,999 were now part of the base of direct costs to which the F&A rate would be applied. However, to ease the adjustment to the new capitalization level for computer equipment, computer equipment items with an acquisition cost of \$1,000 to \$4,999 were to be excluded from the application of F&A costs.

Under new federal regulations, called the Uniform Guidance, this type of budgeting is explicitly discouraged and therefore the waiver of F&A on computer equipment items with an acquisition cost of \$1,000 to \$4,999 is hereby rescinded and as of January 1, 2015, for all new proposals, all departments must start budgeting full F&A on computer related items that fall under the \$5,000 threshold.

Please feel free to contact me with any questions.

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